

Job losses rattle reps

Republicans argue that free trade must also be 'fair'

By Sarah Leshner

The chairman of the House Small Business Committee has decried what he calls the "monstrous effects" that Wall Street's push for short-term profits is having on American jobs.

As the economy limps toward recovery, most of the new jobs created are going overseas, said Rep. Don Manzullo (R-Ill.). High bandwidth Internet connections have allowed high-skilled jobs — computer technology, engineers, and architects — even radiologists — to follow factory jobs to Asian labor markets where engineers can be paid a fraction of U.S. wages and benefits, he declared.

"I hate to use the word 'protect,' but the national industrial base, including the tool and die industry, has been savaged, and the government won't wake up to the fact that it is crucial for national security," Manzullo said at a recent committee hear-

ing. "Every time we try to bring these problems to the attention of the people in the Pentagon, it just falls on deaf ears. No one gets it."

Manzullo's panel is holding a series of hearings on small business manufacturing and its implications for the economy, but has not yet proposed legislation to remedy what he views as a major long-range problem.

Manufacturing has lost 2.5 million jobs in the last three years, and has been shrinking for 34 straight months, the most substantial downturn since record-keeping began in 1920, according to a committee aide.

Republicans who are grappling with massive job loss among their constituents said they support free trade, but that it has to be made more "fair." Members from districts that have not been hard hit by job losses predict employment opportunities will return when the tax, tariff, regulatory, and benefit climate is made more business-friendly.

Manzullo said engineering jobs in his district are going to Poland, along with the manufacture of parts for the F-16 fighter.

Rep. Edward Schrock (R-Va.) expressed concern at the hear-

ing about conflict with a country "that makes a widget that makes our war machine go."

Rep. C. L. "Butch" Otter (R-Idaho) said he supports free-trade, but that the 1,100 jobs lost by the chip manufacturer, Micron, to a South Korean competitor showed the administration has done "a lousy job" on enforcing not just the letter of the law but the spirit.

Democrats and independents

**"THREE-QUARTERS
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as well as organized labor were even more outspoken, blaming the problems on trade policies, saying fast-track trade authority will only make matters worse.

"In the global economy, electrons can go anywhere in the world at the speed of light, and we don't have the monopoly on smart folks," said Rep. Jay Inseele (D-Wash.).

Rep. Bernie Sanders (I-Vt.) said that he doesn't know of any legislator who voted against the

North American Free Trade Agreement (NAFTA) who now supports the measure. But Sanders said he knows of members who regret supporting NAFTA.

"Three-quarters of the people recognize NAFTA is a lie. The majority now are opposed to free trade," said Rep. Peter DeFazio (D-Ore.). He said spiraling deficits would soon give the U.S. the economic profile of Argentina and that the rest of the world would cut off credit.

Paul Almeida, president of the department for professional employees, AFL-CIO, testified at the hearing to the outsourcing of jobs, including state and local government jobs, exacerbated by H1-B and L-1 visa guest workers who took their training and jobs home.

He said that if these trends continued to accelerate they would severely impact the economy, not only the job security and incomes of the American middle class but the tax revenues of local, state, and federal governments.

"American corporations should be wondering where their future customers will be located and how they will buy the goods and services that are offered," Almeida said.